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CATHOLIC COMMUNITY SERVICES OF
BATON ROUGE, INC.

FOR THE FISCAL YEAR ENDED
JUNE 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 16 2002



CATHOLIC COMMUNITY SERVICES OF
BATON ROUGE, INC.

FOR THE FISCAL YEAR ENDED
JUNE 30, 2001



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Postlethwaite & Netterville

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Catholic Community Services of Baton Rouge, Inc.
Baton Rouge, Louisiana

We have audited the statement of financial position of Catholic Community Services of Baton Rouge, Inc. (CCS) (a non-profit organization) as of June 30, 2001, and the related statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of CCS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CCS as of June 30, 2001, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on pages 11 through 22 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of federal financial awards on pages 26 through 28 is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued reports dated December 18, 2001 on our consideration of CCS's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 18, 2001

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2001

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$ 417,826
Cash and cash equivalents - restricted	339,435
Contracts receivable	316,596
Unconditional promises to give United Way Services funding for the next fiscal year	113,800
Other current assets	1,881
Total current assets	<u>1,189,538</u>

OTHER ASSETS

Investments-Diocese of Baton Rouge	34,512
Plant, furniture and equipment, net	<u>119,653</u>
Total assets	<u>\$ 1,343,703</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	41,301
Accrued expenses	83,277
Total current liabilities	<u>124,578</u>

OTHER LIABILITIES

Due to Catholic Diocese of Baton Rouge	58,936
Due to USCC	<u>12,500</u>
Total liabilities	<u>196,014</u>

NET ASSETS

Unrestricted	520,619
Temporarily restricted	627,070
Total net assets	<u>1,147,689</u>
Total liabilities and net assets	<u>\$ 1,343,703</u>

The accompanying notes are an integral part of this statement.



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES</u>			
United Way	\$ -	\$ 252,037	\$ 252,037
Contributions and foundations	60,204	240,468	300,672
Federal and state contracts	-	2,435,761	2,435,761
Catholic Diocese of Baton Rouge	-	225,285	225,285
Fee income	131,360	-	131,360
Miscellaneous	40,485	51,996	92,481
Fundraising	19,147	-	19,147
Net assets released from donor restrictions:			
Satisfaction of program restrictions	3,098,349	(3,098,349)	-
Total revenues	<u>3,349,545</u>	<u>107,198</u>	<u>3,456,743</u>
<u>EXPENSES</u>			
Program services	2,960,612	-	2,960,612
Management and general	323,889	-	323,889
Fundraising	3,881	-	3,881
Total expenses	<u>3,288,382</u>	<u>-</u>	<u>3,288,382</u>
<u>CHANGE IN NET ASSETS</u>	61,163	107,198	168,361
<u>BALANCE AT JUNE 30, 2000</u>	<u>459,456</u>	<u>519,872</u>	<u>979,328</u>
<u>BALANCE AT JUNE 30, 2001</u>	<u>\$ 520,619</u>	<u>\$ 627,070</u>	<u>\$ 1,147,689</u>

The accompanying notes are an integral part of this statement.

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Specific assistance to individuals	\$ 1,479,619	\$ -	\$ -	\$ 1,479,619
Other salaries and wages	997,635	122,549	-	1,120,184
Pension plan contributions	50,696	8,694	-	59,390
Other employee benefits	77,076	6,604	-	83,680
Payroll taxes	68,999	6,282	-	75,281
Fundraising expenses	-	-	3,881	3,881
Accounting fees	2,739	54,164	-	56,903
Legal fees	3,712	-	-	3,712
Supplies	22,627	5,256	-	27,883
Telephone	26,152	8,418	-	34,570
Postage and shipping	5,392	2,295	-	7,687
Occupancy	47,677	7,971	-	55,648
Equipment rental and maintenance	33,424	2,747	-	36,171
Printing and publications	8,895	459	-	9,354
Travel	27,382	3,355	-	30,737
Conference, conventions, and meetings	12,226	713	-	12,939
Depreciation	24,453	3,154	-	27,607
Interest	3,978	-	-	3,978
Other	67,930	91,228	-	159,158
	<u>\$ 2,960,612</u>	<u>\$ 323,889</u>	<u>\$ 3,881</u>	<u>\$ 3,288,382</u>

The accompanying notes are an integral part of this statement.



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 168,361
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	27,607
Changes in:	
United Way Services funding for the next fiscal year	(5,999)
Grants received in advance	(46,754)
Contract receivables	(32,425)
Other current assets	11,542
Accounts payable	19,235
Accrued expenses	5,789
	<hr/>
Net cash provided by operating activities	147,356

CASH FLOW FROM INVESTING ACTIVITIES

Increase in restricted cash and cash equivalents	(3,067)
Purchase of furniture and equipment and shelter	(34,371)
	<hr/>
Net cash used in investing activities	(37,438)

Increase in cash	109,918
Cash and cash equivalents, beginning of year	307,908
	<hr/>
Cash and cash equivalents, end of year (See Note 1f)	\$ 417,826

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year:	
Interest	\$ 3,978

The accompanying notes are an integral part of this statement



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Nature of Activities

Catholic Community Services of Baton Rouge, Inc. (CCS and the Organization) is a non-profit corporation organized under the laws of the State of Louisiana on April 2, 1975, to promote organized charitable welfare and social service work for the moral betterment of all persons. CCS receives grants which comprise more than 10% of its revenues from two grantors: the Governor's Office of Elderly Affairs and Corporation for National and Community Service.

b. Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

c. Promises to Give and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization does not have any permanently restricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Management feels that all receivables are collectible, and as such, no allowance for doubtful accounts has been established.

d. Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range as follows:

Furniture & Equipment	5 - 10 Years
Shelter	20 - 25 Years

e. Donated Services

A significant portion of CCS's functions are conducted by unpaid volunteers. The value of the contributed time is not reflected in the accompanying financial statements since the services do not meet the criteria for recognition under generally accepted accounting principles.

f. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include highly liquid investments with original maturities of three months or less. Restricted cash balances are not included in cash and cash equivalents for purposes of the statement of cash flows since these balances are not available for operations but are donor restricted for specific purposes.



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

NOTES TO FINANCIAL STATEMENTS

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

h. Income Taxes

The Organization is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Contracts Receivable

The detail of contracts receivable as of June 30, 2001, is as follows:

Senior Employment (GOEA)	\$ 33,071
WIA	22,045
M.R.S.	39,581
USCC	24,112
Match Grant	49,949
ORR	13,860
Enhanced Orientation	3,394
HUD	112,459
Joseph Homes	18,125
	<u>\$ 316,596</u>

3. Investments - Diocese of Baton Rouge

The Organization has \$34,512 on deposit with the Roman Catholic Diocese of Baton Rouge. The deposits are payable on demand and the Organization earned \$1,516 in interest during 2001 at 4.5%. Although these balances are due on demand, they are classified as long-term assets since it is not the intention of CCS to withdraw or use the money in the near term.

4. Plant, Furniture and Equipment

Property and equipment acquired by the Organization is considered to be owned by the Organization. However, the State of Louisiana maintains the title to the property and equipment purchased in whole or in part under contract/grant funded by the State of Louisiana. The State has the right to require the transfer of the property and equipment (including title) to the State or to an eligible non-state party named by the State. Such transfer may occur at any time.

The composition of plant, furniture and equipment at June 30, 2001 was as follows:

Land and shelters	\$ 87,935
Furniture and equipment	<u>108,630</u>
	196,565
Accumulated depreciation	(<u>76,912</u>)
	<u>\$ 119,653</u>



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

NOTES TO FINANCIAL STATEMENTS

5. Due to USCC

Prior to January 1, 1980, the Migration and Refugee Services Program established a revolving account with the United States Catholic Conference (USCC) for the purpose of resettling refugees. In accordance with the revolving account agreement, these funds are to be returned to the USCC upon the termination of the program. As of June 30, 2001, the balance due USCC amounted to \$12,500.

6. In-Kind Contributions

The Foster Grandparents and the Senior Employment Programs received in-kind contributions during the year from various donors for meals, space and recognition to program participants without charge. For the year ended June 30, 2001, these contributions have been recorded as revenue with the offset being recorded as expenditures in the amount of \$27,213.

7. Pension Plan

Employees of the Organization participate in a defined benefit pension plan with the Roman Catholic Diocese of Baton Rouge and the participants are required to contribute 3% of their salaries with the Organization contributing 6%. The Diocese of Baton Rouge administers the plan. For the year ended June 30, 2001, contributions of \$59,390 were made to the plan.

8. Due to Catholic Diocese of Baton Rouge

As of June 30, 2001, the Senior Community Service Employment Program and the Migration and Refugee Services Program owed the Roman Catholic Diocese of Baton Rouge \$30,000 and \$28,936, respectively. These loans bear interest at a variable rate which was 6.5% throughout 2001. Interest expense of \$3,978 was incurred on these loans in 2001.

9. Related Party

CCS has a relationship with the Roman Catholic Diocese of Baton Rouge (DOBR) that includes participation in Diocesan benefit programs, and considerable savings on rent, insurance, telephone, and other equipment usage of which, no amounts are able to be determined. Due to the nature of CCS's organization, this relationship is expected to continue for the duration of program operations of Catholic Community Services.

In addition, three of CCS's programs, Counseling, Maternity and Adoption, Satellite Counseling Offices and Citizens Advocacy, are subsidized by the DOBR. Included in revenues is \$225,285 of funding from the DOBR to subsidize these programs. Due to the nature of CCS's organization, this funding is expected to continue for the duration of program operations of CCS.

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

NOTES TO FINANCIAL STATEMENTS

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes for periods after June 30, 2001:

Provide social services in state and federal programs	\$ 218,988
Provide social services in other programs	<u>408,082</u>
	<u>\$ 627,070</u>

11. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by the donors to the following programs:

S.C.S.E.P. Title V	\$ 933,738
J.T.P.A. Title II, Part A	43,934
Foster Grandparent Program Title II, Part B	325,353
M.R.S. Title XX	229,274
United States Catholic Conference	125,455
Match Grant	96,141
Joseph Homes, Inc.	82,299
Counseling, Maternity and Adoption	318,382
Satellite Counseling Offices	18,236
Citizens Advocacy	69,680
Disaster Relief	12,540
FEMA - Emergency Assistance Program	45,207
United Way Emergency Assistance	20,663
M.R.S. Enhanced Orientation	4,554
Human Services Consortium	53,544
Alternate Program	215,181
WIA	109,155
HUD	198,614
Tangipahoa Cares Program	77,233
Other program services	<u>119,166</u>
	<u>\$ 3,098,349</u>



SUPPLEMENTAL SCHEDULES



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULE OF REVENUES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

	United Way	Contributions	Federal and State Contracts	Catholic Diocese of Baton Rouge	Fee Income	Miscellaneous	Fundraising	Total
S.C.S.E.P. Title V (Governor's Office of Elderly Affairs)	\$	\$	\$ 927,535	\$	\$	\$ 9,249	\$	\$ 936,784
Workforce Investment Act			108,826					108,826
J.T.P.A. Title II, Part A			41,225					41,225
Foster Grandparent Program Title II, Part B		1,474	287,833			17,964		307,271
Foster Grandparent Program Title II, Part B (GOEA)			21,136					21,136
M.R.S.			245,586		6,725			252,311
United States Catholic Conference		9,630	144,743		8,270			162,643
Match Grant		10,000	85,515					95,515
M.R.S. Enhanced Orientation			4,476					4,476
Alternate Program			213,753					213,753
Joseph Homes, Inc.		30,350	57,802		5,362			93,514
Counseling, Maternity & Adoption	94,454	5,225	14,000	204,703	70,077			388,459
Satellite Counseling Offices		300		17,936	29,806			48,042
Citizens Advocacy	67,033			2,646				69,679
Emergency Assistance Program - FEMA			57,255					57,255
Emergency Assistance Program - United Way	21,436							21,436
Tangipahoa Cares Program (ESBG & FEMA)	28,200	15,940	29,128			858		74,126
Human Services Consortium	22,705	37,165			1,130			61,000
HUD-SHP		6,000	196,948					202,948
Other Program Services	18,209	124,384			9,990	23,925		176,508
Agency		60,204				40,485	19,147	119,836
	<u>\$ 252,037</u>	<u>\$ 300,672</u>	<u>\$ 2,435,761</u>	<u>\$ 225,285</u>	<u>\$ 131,360</u>	<u>\$ 92,481</u>	<u>\$ 19,147</u>	<u>\$ 3,456,743</u>

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

S.C.S.E.P. Title V

Program services:

Specific assistance to individuals	\$ 757,972
Other salaries and wages	59,194
Pension plan contributions	2,642
Other employee benefits	4,181
Payroll taxes	4,293
Occupancy	27
Equipment rental and maintenance	17
Depreciation	1,492
Other	12,975

Management and general:

Other salaries and wages	39,076
Pension plan contributions	2,310
Other employee benefits	3,630
Payroll taxes	2,831
Accounting fees	6,650
Supplies	2,527
Telephone	4,460
Postage and shipping	2,290
Occupancy	2,829
Equipment rental and maintenance	2,422
Printing and publications	453
Travel	1,271
Other	20,196
Total expenses	<u>\$ 933,738</u>

WIA

Program services:

Other salaries and wages	\$ 76,438
Pension plan contributions	3,442
Other employee benefits	3,524
Payroll Taxes	5,716
Supplies	513
Telephone	4,280
Postage and shipping	7
Occupancy	7,059
Printing and publications	203
Travel	3,988
Conferences and conventions	1,072
Other	101



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

WIA (continued)

Management and general:	
Other salaries and wages	2,768
Telephone	<u>44</u>
Total expenses	<u>\$ 109,155</u>

J.T.P.A. Title II, Part A

Program services:	
Specific assistance to individuals	\$ 4,742
Other salaries and wages	9,342
Pension plan contributions	590
Other employee benefits	626
Payroll taxes	649
Telephone	2,494
Postage and shipping	347
Occupancy	3,330
Travel	851
Equipment rental and maintenance	992
Depreciation	8,415
Management and general:	
Other salaries and wages	4,703
Pension plan contributions	441
Other employee benefits	600
Payroll taxes	360
Accounting fees	2,373
Telephone	429
Occupancy	147
Equipment rental and maintenance	121
Other	<u>2,382</u>
Total expenses	<u>\$ 43,934</u>



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

Foster Grandparent Program Title II, Part B

Program services:	
Specific assistance to individuals	\$ 241,839
Management and general:	
Other salaries and wages	53,813
Pension plan contributions	4,464
Other employee benefits	2,370
Payroll taxes	3,013
Accounting fees	5,150
Supplies	1,384
Telephone	3,141
Occupancy	4,995
Printing and publications	6
Travel	2,327
Depreciation	715
Other	<u>2,136</u>
Total expenses	\$ <u>325,353</u>

M.R.S.

Program services:	
Other salaries and wages	\$ 156,730
Pension plan contributions	7,421
Other employee benefits	13,608
Payroll taxes	11,567
Supplies	3,038
Telephone	3,024
Postage and shipping	617
Occupancy	5,010
Equipment rental and maintenance	3,992
Printing and publications	71
Travel	5,448
Conferences and conventions	399
Depreciation	784
Other	<u>2,879</u>



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

M.R.S. (continued)

Management and general:	
Accounting fees	10,325
Other	<u>11,086</u>
Total expenses	<u>\$ 235,999</u>

United States Catholic Conference

Program services:	
Specific assistance to individuals	\$ 48,361
Other salaries and wages	46,058
Pension plan contributions	2,547
Other employee benefits	6,877
Payroll taxes	3,306
Supplies	1,318
Telephone	2,487
Postage and shipping	210
Occupancy	2,202
Equipment rental and maintenance	760
Travel	2,237
Conferences and conventions	270
Depreciation	2,367
Other	5,471
Management and general:	
Accounting fees	5,693
Other	<u>3,561</u>
Total expenses	<u>\$ 133,725</u>

Match Grant

Program services:	
Specific assistance to individuals	\$ 24,017
Other salaries and wages	47,777
Pension plan contributions	2,628
Other employee benefits	3,707
Payroll taxes	3,366



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

Match Grant (continued)

Supplies	892
Telephone	1,085
Postage and shipping	232
Occupancy	1,845
Equipment rental and maintenance	958
Conferences and conventions	1,320
Travel	770
Depreciation	1,028
Other	734
Management and general:	
Accounting fees	3,713
Other	<u>2,069</u>
Total expenses	<u>\$ 96,141</u>

M.R.S. Enhanced Orientation

Program Services:	
Other salaries and wages	\$ 1,628
Pension plan contributions	69
Other employee benefits	534
Payroll taxes	135
Supplies	173
Telephone	1,450
Postage and shipping	8
Occupancy	72
Equipment rental and maintenance	31
Travel	24
Other	154
Management and general:	
Accounting fees	<u>276</u>
Total expenses	<u>\$ 4,554</u>



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

Alternate Program

Program Services:	\$ 52,265
Specific assistance to individuals	112,265
Other salaries and wages	5,675
Pension plan contributions	10,237
Other employee benefits	8,328
Payroll taxes	1,013
Supplies	1,403
Telephone	336
Postage and shipping	2,717
Occupancy	1,219
Equipment rental and maintenance	3,438
Travel	332
Conferences and conventions	2,159
Depreciation	906
Other	
Management and General:	8,786
Accounting fees	3,875
Other salaries and wages	227
Other	
Total expenses	<u>\$ 215,181</u>

Joseph Homes, Inc.

Program Services:	\$ 27,769
Specific assistance to individuals	28,016
Other salaries and wages	1,778
Pension plan contributions	2,723
Other employee benefits	2,252
Payroll taxes	172
Telephone	14,504
Equipment rental and maintenance	211
Travel	5,479
Depreciation	413
Conferences, conventions, and meetings	1,230
Other	



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

Joseph Homes, Inc. (continued)

Management and general:	
Accounting fees	3,109
Postage and shipping	<u>5</u>
 Total expenses	 \$ <u>87,661</u>

Counseling, Maternity and Adoption

Program services:	
Specific assistance to individuals	\$ 47,759
Other salaries and wages	211,770
Pension plan contributions	12,681
Other employee benefits	17,625
Payroll taxes	15,423
Accounting fees	2,739
Legal fees	3,712
Supplies	3,511
 Telephone	 2,780
Postage and shipping	2,452
Occupancy	21,644
Equipment rental and maintenance	1,300
Printing and publications	7,542
Travel	3,010
Conferences, conventions, and meetings	7,106
Other	<u>27,405</u>
 Total expenses	 \$ <u>388,459</u>

Satellite Counseling Offices

Program services:	
Other salaries and wages	\$ 41,577
Supplies	342
Telephone	767
Postage and shipping	154
Printing and publications	219
Occupancy	1,439
Travel	2,464
Conferences and conventions	697
Other	<u>383</u>
 Total expenses	 \$ <u>48,042</u>



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

Citizens Advocacy

Program services:	
Other salaries and wages	\$ 52,375
Pension plan contributions	3,587
Other employee benefits	4,596
Payroll taxes	3,910
Supplies	449
Postage and shipping	144
Occupancy	1,000
Printing and publications	358
Conferences and conventions	617
Other	<u>2,644</u>
Total expenses	\$ <u>69,680</u>

Disaster Relief

Management and general:	
Supplies	\$ 32
Telephone	44
Program services:	
Specific assistance to individuals	3,027
Other salaries and wages	8,884
Travel	<u>553</u>
Total expenses	\$ <u>12,540</u>

Emergency Assistance Program - FEMA

Program services:	
Specific assistance to individuals	\$ <u>45,207</u>
Total expenses	\$ <u>45,207</u>

Emergency Assistance Program - United Way

Program services:	
Specific assistance to individuals	\$ <u>20,663</u>
Total expenses	\$ <u>20,663</u>



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

Tangipahoa Cares Program

Program Services:

Specific assistance to individuals	\$ 40,085
Other salaries and wages	20,516
Pension plan contributions	1,196
Other employee benefits	1,751
Payroll taxes	1,667
Supplies	1,463
Telephone	4,164
Postage and shipping	346
Travel	1,059
Depreciation	865
Other	1,156

Management and General:

Accounting fees	1,707
Other	<u>1,258</u>

Total expenses \$ 77,233

Human Services Consortium

Program Services:

Other salaries and wages	\$ 36,127
Pension plan contributions	2,200
Other employee benefits	221
Payroll taxes	2,837
Supplies	104
Telephone	314
Postage and shipping	71
Occupancy	1,332
Equipment rental and maintenance	417
Travel	734
Depreciation	1,218
Other	5,365

Management and general:

Other salaries and wages	1,015
Pension plan contributions	61
Other employee benefits	4
Payroll taxes	78
Accounting fees	1,580



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

Human Services Consortium (continued)

Equipment rental and maintenance	203
Other	<u>793</u>
Total expenses	<u>\$ 54,674</u>

HUD - SHP

Program Services:

Specific assistance to individuals	\$ 77,440
Other salaries and wages	77,589
Pension plan contributions	3,568
Other employee benefits	4,251
Payroll taxes	4,672
Supplies	9,812
Telephone	1,245
Postage and shipping	468
Equipment rental and maintenance	4,825
Printing and publications	503
Travel	2,579
Depreciation	647
Other	2,550

Management and General:

Other salaries and wages	3,280
Accounting fees	4,804
Other	<u>381</u>

Total expenses	<u>\$ 198,614</u>
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Other Program Services

Program services:

Other salaries and wages	\$ 9,357
Pension plan contributions	557
Other employee benefits	2,609
Payroll Taxes	724
Telephone	486
Equipment rental and maintenance	4,408
Travel	14
Specific assistance to individuals	85,258
Interest	3,978
Other	3,977



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULES OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

Other Program Services (continued)

Management and general:	
Other salaries and wages	11,383
Conferences and conventions	713
Depreciation	1,632
Other	<u>4,059</u>
Total expenses	<u>\$ 129,155</u>

Agency-Unrestricted

Program Services:	
Specific assistance to individuals	\$ 3,215
Other salaries and wages	1,990
Pension plan contributions	119
Other employee benefits	7
Payroll taxes	155
Management and general:	
Other salaries and wages	2,635
Pension plan contributions	1,419
Supplies	1,313
Telephone	387
Depreciation	807
Other	42,746
Fundraising:	
Miscellaneous	<u>3,881</u>
Total expenses	<u>\$ 58,674</u>



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULE OF EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Expenses</u>	<u>Non-cash Adjustments, including Depreciation</u>	<u>Equipment Purchases</u>	<u>Expenditures</u>
S.C.S.E.P. Title V	\$ 933,738	\$ (1,492)	\$ 4,538	\$ 936,784
Workforce Investment Act	109,155	-	-	109,155
J.T.P.A. Title II, Part A	43,934	(8,415)	3,831	39,350
Foster Grandparent Program Title II, Part B	325,353	(714)	-	324,639
M.R.S.	235,999	(784)	-	235,215
United States Catholic Conference	133,725	(2,367)	5,568	136,926
Match Grant	96,141	(1,028)	-	95,113
M.R.S. Enhanced Orientation	4,554	-	-	4,554
Alternate Program	215,181	(2,158)	-	213,023
Joseph Homes, Inc.	87,661	(5,480)	10,573	92,754
Counseling, Maternity & Adoption	388,459	-	-	388,459
Satellite Counseling Offices	48,042	-	-	48,042
Citizens Advocacy	69,680	-	-	69,680
Disaster Relief	12,540	-	-	12,540
Emergency Assistance Program - FEMA	45,207	-	-	45,207
Emergency Assistance Program - United Way	20,663	-	-	20,663
Tangipahoa Cares Program (ESBG & FEMA)	77,233	(865)	-	76,368
Human Services Consortium	54,674	(1,218)	-	53,456
HUD	198,614	(647)	3,290	201,257
Other Program Services	129,158	-	-	129,158
Agency	58,674	(2,439)	6,571	62,806
	<u>\$ 3,288,385</u>	<u>\$ (27,607)</u>	<u>\$ 34,371</u>	<u>\$ 3,295,149</u>



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Catholic Community Services
of Baton Rouge, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of Catholic Community Services of Baton Rouge, Inc. (CCS) (a non-profit organization) as of and for the year ended June 30, 2001, and have issued our report thereon dated December 18, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether CCS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CCS's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management in a separate letter dated December 20, 2001.

This report is intended for the information of the board of directors, management, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 18, 2001



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Catholic Community Services
of Baton Rouge, Inc.
Baton Rouge, Louisiana

Compliance

We have audited the compliance of Catholic Community Services of Baton Rouge, Inc. (CCS) (a non-profit organization) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. CCS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of CCS's management. Our responsibility is to express an opinion on CCS's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CCS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on CCS's compliance with those requirements.

In our opinion, CCS complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of CCS is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered CCS's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over compliance that we consider to be material weaknesses or reportable conditions.

This report is intended for the information of the board of directors, management, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties.

Postlethwaite & Netherville

Baton Rouge, Louisiana
December 18, 2001



SCHEDULE OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

<u>FEDERAL GRANT AGENCY/RECIPIENT STATE</u> <u>AGENCY/GRANT PROGRAM/NUMBER</u>	<u>FEDERAL</u> <u>CATALOGUE</u> <u>NUMBER</u>	<u>DISBURSEMENTS/</u> <u>EXPENDITURES</u>
U. S. Department of Labor:		
Pass through from State of Louisiana - Governor's Office of Elderly Affairs:		
S.C.S.E.P. - Title V	17.235	\$ 842,164
Pass through from State of Louisiana - Department of Labor Workforce Investment Act Job Training Partnership Act Program - Title II, Part A	17.255 17.250	109,155 <u>39,350</u>
Total Department of Labor		<u>990,669</u>
Department of Health and Human Services:		
State of Louisiana - Office of Community Services:		
Migration and Refugee Services Program	93.566	228,490
Counseling, Maternity and Adoption	-	14,000
Administration for Children and Families – Office of Refugee Resettlement		
Office of Refugee Resettlement Alternate Program	93.576	213,023
Community Orientation Activities and Assistance Program	-	4,554
United States Catholic Conference - Match Grant	-	<u>85,113</u>
Total Department of Health and Human Services		<u>545,180</u>
Department of Housing and Urban Development:		
ESBG Grant	14.231	65,601
Supportive Housing	14.235	<u>195,257</u>
		<u>260,858</u>
Department of State:		
United States Catholic Conference	-	<u>119,026</u>

SCHEDULE OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

<u>FEDERAL GRANT AGENCY/RECIPIENT STATE</u> <u>AGENCY/GRANT PROGRAM/NUMBER</u>	<u>FEDERAL</u> <u>CATALOGUE</u> <u>NUMBER</u>	<u>DISBURSEMENTS/</u> <u>EXPENDITURES</u>
Corporation for National and Community Service (formerly ACTION):		
Foster Grandparent Program, Title II, Part B	72.001	<u>284,066</u>
Federal Emergency Management Agency:		
Emergency Assistance Program	85.516	<u>80,559</u>
Total All Grants		<u>\$ 2,280,358</u>

NOTES TO SCHEDULE OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of federal financial awards includes the federal grant activity of Catholic Community Services of Baton Rouge, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B - RECONCILIATION OF EXPENSES TO FEDERAL EXPENDITURES

	<u>Expenses</u>	<u>Non- Federal Award Expenditures</u>	<u>Non-cash Adjustments, including Depreciation</u>	<u>Equipment Purchases</u>	<u>Expenditures</u>
S.C.S.E.P. Title V	\$ 933,738	\$ (94,620)	\$ (1,492)	\$ 4,538	\$ 842,164
Workforce Investment Act	109,155	-	-	-	109,155
J.T.P.A. Title II, Part A	43,934	-	(8,415)	3,831	39,350
Foster Grandparent Program Title II, Part B	325,353	(40,573)	(714)	-	284,066
M.R.S.	235,999	(6,725)	(784)	-	228,490
United States Catholic Conference	133,725	(17,900)	(2,367)	5,568	119,026
Match Grant	96,141	(10,000)	(1,028)	-	85,113
M.R.S. Enhanced Orientation	4,554	-	-	-	4,554
Alternate Program	215,181	-	(2,158)	-	213,023
Joseph Homes, Inc.(ESBG)	87,661	(35,712)	(5,480)	10,573	57,042
Counseling, Maternity & Adoption	388,459	(374,459)	-	-	14,000
Satellite Counseling Offices	48,042	(48,042)	-	-	-
Citizens Advocacy	69,680	(69,680)	-	-	-
Disaster Relief	12,540	-	-	-	12,540
Emergency Assistance Program - FEMA	45,207	-	-	-	45,207
Emergency Assistance Program - United Way	20,663	(20,663)	-	-	-
Tangipahoa Cares Program (ESBG & FEMA)	77,233	(44,997)	(865)	-	31,371
Human Services Consortium	54,674	(53,456)	(1,218)	-	-
HUD-SHP	198,614	(6,000)	(647)	3,290	195,257
Other Program Services	129,158	(129,158)	-	-	-
Agency	58,674	(62,806)	(2,439)	6,571	-
	<u>\$ 3,288,385</u>	<u>\$ (1,014,791)</u>	<u>\$ (27,607)</u>	<u>\$ 34,371</u>	<u>\$ 2,280,358</u>



CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of Catholic Community Services of Baton Rouge, Inc.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Catholic Community Services of Baton Rouge, Inc. were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Catholic Community Services of Baton Rouge, Inc. expresses an unqualified opinion.
6. There were no findings relative to the major federal award programs for Catholic Community Services of Baton Rouge, Inc.
7. The programs tested as major programs include: the S.C.S.E.P. – Title V Program.
8. The threshold for distinguishing Types A and B programs was program expenditures equal to or exceeding \$300,000.
9. Catholic Community Services of Baton Rouge, Inc. was determined to be a low-risk auditee.

CATHOLIC COMMUNITY SERVICES OF BATON ROUGE, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

NONE



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To the Board of Directors
Catholic Community Services of
Baton Rouge, Inc.
Baton Rouge, LA

We have audited the financial statements of the Catholic Community Services of Baton Rouge, Inc., for the year ended June 30, 2001 and have issued our report thereon. As part of our examination, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his audit of the financial statements.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depend upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

During the course of our audit, we made one observation which we feel should be brought to your attention. We do not consider this matter to be material to the financial operations of the Organization. Concerning this matter, we offer the following comments and recommendations:

Reconciliations to the General Ledger

Reconciliations are a key feature and control in financial reporting. When accounts are reconciled, the process is not complete until the resulting reconciliation is agreed to the general ledger. During our review of bank reconciliations and inter-organization accounts, we noted that the accounts are generally reconciled, but that in some instances, one final step in the process is not occurring, which is ascertaining that the reconciled balance is consistent with the general ledger. As the general ledger is the starting point in preparing financial reports, this is an important step in the process. We recommend that bank reconciliations be agreed to the general ledger on a monthly basis. We also recommend that inter-organization transactions be adequately documented with the transactions posted in a reciprocal manner between the Agency and the programs, and that the resulting balances be reciprocated on a monthly basis to ensure their consistency and accuracy.

We want to thank Catholic Community Services for the courtesies extended to us during the audit. If you have any questions or need any assistance in the implementation of these recommendations, we would be pleased to offer our services.

Postlethwaite & Nettlesville

Baton Rouge, Louisiana
December 20, 2001





CATHOLIC COMMUNITY SERVICES

Bishop Alfred C. Hughes, S.T.D.
President

Deborah A. Roe, M.S.W.
Executive Director

January 3, 2002

Dr. Daniel G. Kyle, CPA, Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

This letter is written in conjunction with the audit of financial statements of Catholic Community Services of Baton Rouge, Inc., by Postlethwaite & Netterville for fiscal year end June 30, 2001. We offer the following response to the letter dated December 20, 2001 from our auditors.

Reconciliations to the General Ledger:

Management agrees with and will implement the recommendations through the monthly reconciliation of all bank accounts and account balances to the general ledger.

We are grateful for the guidance and assistance provided to us by our auditors. If there are any questions please contact me at the above address.

Thank you very much.

Sincerely,

Deborah A. Roe, M.S.W.
Executive Director

cc: Richard Daviet
Chairperson of Board of Directors of CCS